

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 NEA-10 AF-10 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 EB-11 COME-00 INT-08

SCEM-02 SCI-06 OMB-01 TRSE-00 DRC-01 /174 W

----- 100009

R 121012Z NOV 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 9117

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

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E O 11652: N/A

TAGS: ENRG, RP

SUBJ: LATEST DEVELOPMENTS IN FUEL CRISIS

REF: A) STATE 216846; B) MANILA 12669; C) CINCPACREPPHIL 100952Z

BEGIN SUMMARY: GASOLINE RATIONING WENT INTO EFFECT NOVEMBER 12 THROUGHOUT PHILIPPINES. GOP ALSO ANNOUNCED THAT DUTY FREE IMPORTATION OF PETROLEUM PRODUCTS WILL BE ALLOWED FOR FORTY-FIVE DAYS, SCHOOLS CLOSED FOR ONE WEEK BEGINNING NOV 12 AND GOVERNMENT PUT ON FOUR DAY WORK WEEK. PRESIDENT ALSO ESTABLISHED NATIONAL OIL COMPANY TO COORDIANTE ALL PETROLEUM MATTERS (SEPTEL). IN PRESS CONFERENCE NOV 10 PRESIDENT EXPRESSED CONFIDENCE THAT CRISIS WILL BE RESOLVED BY END OF YEAR AND SAID THAT EFFORTS ARE BEING MAINTAINED TO ARRANGE FOR SUPPLIES OF CRUDE FROM ARAB COUNTRIES.

1. PRESIDENT MARCOS ANNOUNCED NOV 10 THAT GASOLINE

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RATIONING WOULD APPLY TO WHOLE COUNTRY RATHER THAN JUST

MANILA AS PREVIOUSLY ANNOUNCED. IN MANILA VEHICLE OWNERS WILL BE ISSUED COUPONS BUT IN OTHER AREAS DEALERS WILL BE REQUIRED TO RECORD SALES AND REPORT THEM TO GOVERNMENT WHICH WILL MONITOR USAGE. LIMITS ESTABLISHED FOR PRIVATE AUTOS 200 LITERS PER MONTH WITH LIMIT OF TWO CARS PER FAMILY. PUBLIC UTILITY VEHICLES LIMITS ARE: TRUCKS AND BUSES, 40 LITERS PER DAY; JEEPNEYS 26 LITERS; DELIVERY VANS 15 LITERS; TAXIS 20 LITERS.

2. GOP ORIGINALLY ANNOUNCED THAT SCHOOLS IN GREATER MANILA AREA WOULD BE CLOSED NOV 12 TO JAN 2 TO REDUCE TRAFFIC CONGESTION AND CONSERVE FUEL, BUT PRESIDENT SAID NOV 10 THAT HE WAS ORDERING CLASSES TO RESUME NOV 19. GOVERNMENT OFFICES WILL BE ON FOUR-DAY WEEK (MONDAY THROUGH THURSDAY).

3. PRESIDENT ALSO ANNOUNCED AT PRESS CONFERENCE THAT EFFORTS TO ARRANGE FOR CRUDE SUPPLIES DIRECTLY FROM ARAB GOVERNMENTS WERE GOING FORWARD AND THAT OIL REPRESENTATIVES NOW IN MIDDLE EAST WERE SENDING BACK OPTIMISTIC REPORTS. PRESIDENT NOTED THAT WITH INCREASES IN CRUDE PRICES PHILIPPINES WILL BE SPENDING FROM \$400 TO 600 MILLION PER YEAR FOR CRUDE COMPARED WITH \$200 MILLION PER YEAR IN PAST. HE EXPRESSED CONFIDENCE, IN VIEW OF DEVELOPMENTS TOWARD PEACE IN ME, THAT CRISIS WILL BE RESOLVED BY END OF YEAR.

4. ON NOV 9 PRESIDENT ISSUED DECREE ALLOWING DUTY-FREE IMPORTATION OF PETROLEUM PRODUCTS FOR 45 DAYS AND ON NOV 11 ISSUED ANOTHER DECREE ESTABLISHING NATIONAL OIL COMPANY. ALTHOUGH NEITHER MOVE LIKELY TO CONTRIBUTE MUCH TO RESOLUTION OF SUPPLY PROBLEM, NATIONAL OIL COMPANY PROVIDES MECHANISM FOR IMPORT OF GOVERNMENT-PURCHASED CRUDE AS WELL AS OTHER DIRECT ACTIVITY OF GOP IN PETROLEUM FIELD.

5. OIL INDUSTRY COMMISSIONER MATHAY IN TELEVISION INTERVIEW NOV 11 STATED THAT GOP ESTIMATED U.S. MILITARY BASES USED ONLY 1.5 PERCENT OF CRUDE IMPORTED INTO COUNTRY, INDICATING THAT ONLY LIMITED SAVINGS LIMITED OFFICIAL USE

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WOULD BE EFFECTED BY REDUCTION OF SUPPLY TO BASES.
SULLIVAN

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